

REMARKS

Applicants reply to the Final Office Action mailed on December 1, 2008, within two months. Thus, Applicants request an Advisory Action, if necessary. Claims 1-22 are pending in the application and the Examiner rejects claims 1-22. Applicants add new claim 23. Support for the claim and claim amendments may be found in the originally-filed specification, claims, and figures. Applicants submit that no new matter has been introduced with these amendments. Applicants respectfully request reconsideration of this application.

Interview Summary

Applicants thank the Examiner for the courtesies extended to Applicants' counsel during the Examiner Interview on January 13, 2009. During the Interview, the Examiner offered suggestions to clarify the independent claims in order to place the claims in condition for allowance. In the interest of efficient prosecution and without prejudice, Applicants amend the claims in light of the Examiner's suggestions and respectfully submit that claims 1-22 are allowable over the cited references.

The Examiner suggested positively reciting an apparatus (e.g. a computer) in the independent method claims in order to avoid potential 35 U.S.C. § 101 issues. Next, the Examiner recommended clarifying that the preauthorization record (e.g. in the third step of claim 1) corresponds to merchant information. The Examiner further recommended clarifying the entity that initiates the transmission of the authorization message (e.g. in the fourth step of claim 1). Finally, the Examiner recommended adding a limitation similar to that of claim 8 to indicate that the new or updated pre-authorization record reflects a new pre-authorized amount that has been adjusted as a result of the authorization. Applicants amend independent claims 1 and 20-21 with each of the Examiner's recommendations in mind.

35 U.S.C § 103

The Examiner rejects claims 1 - 22 under 35 U.S.C. 103(a) as being unpatentable over Talbert et al. (US 2004/0078328) alone. Applicants respectfully traverse this rejection. As indicated in the interview summary above, the Examiner provided suggestions for placing claims 1-22 in a condition for allowance and Applicants amend claims 1-22, without prejudice, to account for all of the Examiner's suggestions.

Dependent claims 2-19 and 22 variously depend from independent claims 1 and 21, so dependent claims 2-19 and 22 are allowable over the cited references for the reasons set forth above, in addition to their own unique features.

In addition, Applicants submit new independent claim 23 with the following remarks. Talbert generally discloses a method for facilitating a cashless purchase transaction without the need for interaction with a bank and without the need to obtain a transaction card account. Because the account number is not used, the invention allegedly reduces the type of fraud that is normally associated with charge card transactions. The Talbert system includes an authorization system that is configured to collect and store profile information relating to participating merchants and member consumers. Such profile information includes, for example, merchant identifiers, consumer names, consumer billing addresses, consumer ship-to addresses, social security numbers, fraud indexes, checking account numbers, places of employment, and the like. This profile information is used as a "pre-authorization" record for the consumer, while the consumer's identity is verified based on a username and password combination.

Talbert is specifically limited to allowing a merchant to facilitate a purchase transaction without requiring the consumer to have any pre-existing credit arrangement. In fact, Talbert characterizes one problem addressed by the Talbert invention as, "in all cases the consumer must have a previously established relationship with the third party (credit card issuer)." Talbert, para. 13. To address this problem, an object of the Talbert invention is, "allowing a merchant and a consumer or customer to enter into a relationship without the need for the customer to have a pre-existing relationship with a third-party credit source." Talbert, para. 14. Thus, Talbert discloses a transaction system that seeks to eliminate a third-party credit source. Talbert's system is primarily directed to a transaction network used by merchants to expedite a credit-decision process by providing "a third party with sufficient information to collect on the consumer's obligation to the merchant." Talbert, para. 14. Therefore, Talbert teaches away from a system where a customer pre-arranges a credit relationship with a financial institution by establishing an account and line of credit with the financial institution. Talbert discloses a transaction network that maintains reputation data that is used in determining whether to trust the consumer to make payment for a purchased item. The consumer of Talbert pays for the purchase directly after being billed from the merchant in the amount of the purchase. This is contrary to the presently claimed invention that discloses that an authorization request is received and

processed by a financial institution (e.g., Bank of America, American Express, Visa, MasterCard).

Moreover, Talbert does not disclose both a pre-authorization request and an authorization request. In the Talbert system, the merchant requests a check of the customer's credit worthiness and the transaction network responds with an estimate of the customer's credit worthiness which Talbert calls an "authorization." Significantly, Talbert does not allow for a customer pre-arranging a general credit relationship with a financial account issuer or a customer obtaining a specific pre-authorized extension of credit to fund a specific transaction. As discussed previously, Talbert teaches away from a customer having to establish a credit relationship with a third-party. Instead, Talbert teaches a merchant submitting an authorization request to a transaction network and subsequent settlement process whereby merchant reimbursement requests are matched with an authorization request to determine whether the reimbursement request is "out of compliance" with the rules of the network. Thus, Talbert fails to teach a pre-authorization process initiated by the purchaser (e.g. a customer), whereby the entity extending credit (e.g. a bank) pre-allocates credit for the purchaser to use for a particular transaction, and whereby an authorization request from a merchant is matched with the pre-authorization decision in order to determine a response to a merchant authorization request.

Furthermore, although Talbert makes brief mention to authorization for a "split shipment," the reference fails to include any disclosure relating to discrete authorizations associated with a split shipment arrangement or a process describing how the transaction network handles a settlement process associated with a split shipment. In the office action, the Examiner assumes that in Talbert's disclosure multiple shipments result in multiple settlements and the Examiner assumes that the balance on the pre-authorization record is updated with each settlement. However, as discussed previously, Talbert does not disclose both a pre-authorization record and an authorization record as it is contemplated by Applicants' invention. Without both, Examiner's assumption fails to account for how Talbert, which lacks any implied or explicit disclosure in this area, might handle a pre-authorization decision, multiple authorizations based upon the pre-authorization and multiple settlement transactions based upon the multiple authorizations. That is, updating the account balance on a single authorization record would not work in Talbert's disclosed settlement process that seeks to match one-for-one a settlement record with an authorization record.

Therefore, Talbert does not disclose or contemplate at least,

receiving, **at a financial account issuer, a pre-authorization request from a client**, wherein said pre-authorization request comprises merchant information, an account identifier corresponding to a **financial account associated with said client and issued by said financial account issuer**, and a pre-approval amount request;

creating a pre-authorization record corresponding to said pre-authorization request, ...

receiving an initial authorization request from a merchant ...

matching said pre-authorization record with said initial authorization request;

determining that said transaction amount complies with said authorization criteria...

transmitting an authorization message to said merchant;

determining, **based on said transaction information and said pre-authorization record**, that said transaction involves a partial shipment; and,

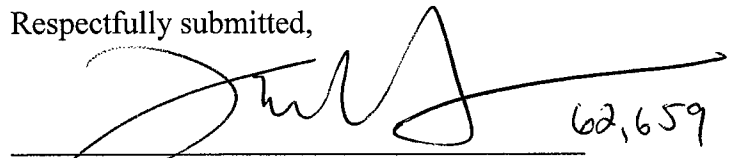
at least one of: **updating said pre-authorization record or creating a new pre-authorization record** in response to said transaction involving said partial shipment,

as recited in new independent claim 23 (emphasis added).

In view of the above remarks, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject application. The Commissioner is authorized to charge any fees due to Deposit Account No. 19-2814.

Respectfully submitted,

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